



# State of Indiana

# Senate

Senator Richard D. Young, Jr.  
Minority Floor Leader  
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Agriculture & Small Business, R.M.M.  
Rules & Legislative Procedure, R.M.M.  
Joint Rules  
Natural Resources

June 5, 2007

The Honorable Steve Carter  
Attorney General of Indiana  
302 West Washington Street  
Indianapolis, IN 46204

Dear Attorney General Carter:

As you are obviously aware, the price of gasoline has increased dramatically in recent months to more than \$3.50 per gallon. Expectations are that it may rise to \$4.00 per gallon by the end of the summer. Although the natural economic forces of supply and demand in a free market are most often cited as the explanation for these increases, the general public justifiably has had difficulty digesting obscenely high oil company profits at the same time as skyrocketing prices at the pump.

As public officials, we have a responsibility to insure that no one is taking advantage of, or manipulating the various factors that impact the price of gasoline. As Indiana's Attorney General, you are in a unique position to marshal the resources of the Attorneys General from across the nation to investigate the questions raised by these high prices and high profits. Some of the issues I feel need to be addressed are as follows:

- 1) Is the supply of gasoline (or the announced supply of gasoline) artificially manipulated to keep prices high?
- 2) Why does the price at the pump increase immediately upon the occurrence of an event that will not potentially affect supply until months into the future?
- 3) Can we be assured that if production of gasoline is increased (as the oil companies suggest needs to happen), the price of gas will come down?

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4) Since profits of the oil companies seem to be directly proportional to the price of gasoline, it seems intuitive that oil companies will do what they can to keep the price of gasoline going up in order to please their shareholders. Can we trust these companies to be looking after the best interests of our constituents who are not shareholders?

5) Is government doing enough to reduce our usage of oil?

I am hopeful that you agree with me regarding the need to address these issues and will initiate action through the Attorneys General to investigate and answer the questions raised herein and elsewhere by the public.

Sincerely,

A handwritten signature in black ink that reads "Richard D. Young, Jr." in a cursive style.

Richard D. Young, Jr.  
Minority Leader

RDY:eak